

# **IOWA COLLEGE STUDENT AID COMMISSION**

## **MINUTES OF MEETING**

**August 19, 2010**

**1:00 p.m.**

**Iowa College Student Aid Commission Conference Room**

### **Members Present:**

Janet Adams	Timothy P. Cole
Robert Denson	Bob Donley
Michelle Durand-Adams	Randy Feenstra
Crystal Ford	Greg Forristall
Herman Quirmbach	Roger Utman
Cindy Winckler	

### **Members Absent:**

Terrence Martin	Frederick Moore
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### **Staff Members Present:**

Michael Anderson	Nancy Ankeny
Todd Brown	Tony Girardi
Julie Leeper	Karen Misjak
Bobbi Pulley	Carolyn Small
Jami Weems	Ashley Wendt

### **Guests Present:**

Matt Brown, Iowa Student Loan  
Tom Davidson, Everfi  
Dwayne Ferguson, Legislative Services Agency  
Laurie Hoing, Iowa Department of Administrative Services

### **Call to Order**

The Iowa College Student Aid Commission met for a regular scheduled meeting on August 19, 2010. Commission Chair Adams called the meeting to order at 1:00 p.m. with a quorum present.

### **Minutes of May 20, 2010 and June 11, 2010**

Motion: Commissioner Donley moved to approve the May 20, 2010 and June 11, 2010 Meeting minutes as written. Commissioner Utman seconded the motion which passed unanimously.

### **Executive Director's Report**

Ms. Misjak said that the first I Have a Plan Iowa Conference was held on August 9 and 10 at Drake University. There were over 140 teachers, counselors and administrators in attendance at the conference. Staff is receiving great compliments from the attendees. Ms. Misjak read two of the compliments received from attendees. Staff is still waiting for all of the conference evaluations to be returned.

Ms. Misjak said the Commission Fair booth is set up in the Varied Industries Building on the Iowa State Fair Grounds, and this year's emphasis is on the I Have a Plan Iowa web portal. The booth will be staffed during the Fair which is running August 12 through 22.

The Commission was designated by Governor Culver as the agency to administer the new John R. Justice Grant Program for the state. In the proposal for this grant the Commission is allowed to keep 15% for administrative fees. Ms. Misjak said staff have submitted narrative to the Bureau of Justice Assistance describing Iowa's proposed administrative process for this new program and is expecting the Bureau of Justice to approve proposals by September 30, 2010.

The Commission was notified that the College Access Challenge Grant Application was approved by the United States Department of Education for August 14, 2010 through August 13, 2011.

The Commission offices will be moving to the Iowa Building. The move is scheduled to take place by November 1, 2010. Neumann Brothers contractors were awarded the contract for the renovations to the office space. Ms. Misjak said the estimated cost for this renovation is \$455,000 and the Department of Management will pay \$65,000 of that amount. The Commission's budget is \$38,000 short from the contracted amount. Ms. Weems said it will take the

Commission 3.5 years to recuperate the money from this renovation based on lower rent expense.

### **Financial Literacy\Default Prevention On-Line Curriculum Contract**

Mr. Anderson introduced Tom Davidson from EverFi, Inc. to present the services that EverFi, Inc. will be providing in Iowa based on the proposed contract approval. Mr. Davidson presented Commissioners with an overview of EverFi's on-line financial literacy tool.

Commissioner Forristall asked if EverFi, Inc. has ever provided this product statewide. Mr. Davidson said this will be the first statewide contract; however it is very comparable to contracts they cover with very large school districts.

Commissioner Winckler asked how schools will become aware of this product. Mr. Anderson said this product will be integrated into the I Have a Plan Iowa web portal. Mr. Davidson said that EverFi, Inc. has a team that will be helping the Commission staff develop a marketing plan on how to inform all educators. The Iowa Department of Education reviewed the on-line tool to ensure that the core curriculum requirements for financial literacy are met.

Commissioner Donley asked how EverFi, Inc. is able to measure the success, noting that the Commission will need to look at the end results of this service. Mr. Anderson said that there will be assessments to track the knowledge base of students taking pre and post tests.

Commissioner Quirnbach asked if there will be implementation at the college and university level. Ms. Misjak said that all colleges and universities will have access through the web portal at no cost to the college or university. Commissioner Quirnbach asked how an educator could monitor students to make sure they are completing the platform, and Mr. Davidson said that educators can track their own students using an administrative log in.

The State of Iowa requires the inclusion of financial literacy in the core curriculum. Commissioner Durand-Adams asked whether this product is redundant in terms of what the schools in Iowa have already proposed, and if this is intended to help the Department of Education to meet the core curriculum requirement. If this does assist with the core curriculum requirement, Commissioner Durand-Adams asked why the Department of Education is not helping fund this project. Commissioner Utman said this is just another resource to help teachers with the requirement. Ms. Misjak said federal code requires that the Commission offer financial literacy and this is only one piece that educators are able to use. The Commission wants to help students learn how to finance higher education, and this is one building block to do that. Ms. Misjak said that this contract will be funded by the College Access Challenge Grant. In the grant application Commission staff was required to state what the moneys would be used for and this platform was included.

Mr. Davidson said the default prevention tool is a 4-hour platform and is geared toward college students. This tool will help students understand the importance of repaying their student loans and the consequences of default.

Motion: Commissioner Cole moved to authorize the Executive Director to enter into a contract for a Financial Literacy and Default Prevention On-Line Tools with EverFi, Inc. Commissioner Donley seconded the motion which passed unanimously.

### **Legislative Committee Report**

Commission Chair Adams said the Legislative Committee met prior to the Commission meeting and is proposing 9 agency bills for the 2012 General Assembly.

1. State Funding Mechanism - the Committee would like to include a paragraph in the Iowa Code allowing staff to use no more than 6 percent of moneys appropriated under Iowa Code Section 261 for administration of the student financial aid programs for Iowa students and their families.

Motion: Commissioner Donley moved to approve the endorsement of the agency bill proposal on the State Funding Mechanism. Commissioner Cole seconded the motion which passed unanimously.

2. Postsecondary Registration - Since assuming full responsibility for postsecondary registrations, the Committee has identified areas of Iowa Code Chapter 261B that should be enhanced to ensure the protection of Iowa students.

Motion: Commissioner Denson moved to approve the endorsement of the agency bill proposal on Postsecondary Registrations. Commissioner Utman seconded the motion which passed unanimously.

Commission Chair Adams said the Legislative Committee would like the opinion of the Attorney General to determine what the outcome is for the students that may be enrolled in schools that are not accredited or not registered with the State of Iowa, and where they go to make complaints.

3. Student Eligibility - The Committee would like to clarify student eligibility of state funded scholarships and grants and ensure that all students receiving state funded grants are attending institutions that are not required to register under Iowa Code Chapter 261B.

Motion: Commissioner Utman moved to approve the endorsement of the agency bill proposal on Student Eligibility. Commissioner Cole seconded the motion which passed unanimously.

4. Iowa Guaranteed Student Loan Program - The Committee is requesting changes that will allow greater flexibility for entering into agreements and expanding services are being proposed for Iowa Code Sections 261.35 through 261.43A.

Motion: Commissioner Donley moved to approve the endorsement of the agency bill proposal on the Iowa Guaranteed Student Loan Program. Commissioner Cole seconded the motion which passed unanimously.

5. Duties of the Commission - Changes to Iowa Code 261.2 will allow the Commission to accept and administer trusts and create a nonprofit foundation to seek and administer additional funding to fulfill the Commission's mission.

Motion: Commissioner Durand-Adams moved to approve the endorsement of the agency bill proposal on the Duties of the Commission. Commissioner Utman seconded the motion which passed unanimously.

6. All Iowa Opportunity Foster Care Grant Program -Because of the time and costs involved in tracking students, the Committee recommends that the Commissions tracking requirement be removed from code. The Department of Human Services is currently required to track these students under federal law. Staff will continue discussions with the Department of Human Services to see if reports can be provided to the Commission on foster care student trends.

Motion: Commissioner Cole moved to approve the endorsement of the agency bill proposal for the All Iowa Opportunity Foster Care Grant Program. Commissioner Utman seconded the motion which passed unanimously.

7. Iowa Teacher Shortage Loan Forgiveness Program - Given the current state of the economy and the resulting cutbacks in teaching staff, the Committee believes that eligible teachers should be limited to five years of eligibility, but believes the requirement that they be consecutive years is too restrictive and would like to remove the word consecutive from Iowa Code. Commissioners agreed but asked staff to provide a time limit by which the loan forgiveness requirements must be met.

Motion: Commissioner Donley moved to approve the endorsement of the agency bill proposal for the Iowa Teacher Shortage Loan Forgiveness Program as amended. Commissioner Denson seconded the motion which passed unanimously.

8. Iowa Tuition Grant - With workforce issues and changes in careers, the Committee believes students who have received 8 semesters of awards, but have not earned a 4-year degree, should be allowed to regain ITG eligibility following a 4-year period of time when the student is not enrolled in postsecondary education. This proposal was tabled by the Chair for further review.
9. Reporting Requirements - A recent Supreme Court ruling made changes to information that can be collected with respect to affirmative action. The proposed Code changes ensure that Iowa law is not contrary to federal legislation.

Motion: Commissioner Cole moved to approve the endorsement of the agency bill proposal regarding Reporting Requirements. Commissioner Donley seconded the motion which passed unanimously.

### **Human Resources Committee**

Commission Chair Adams said the Commission is currently waiting on appointments for the board and said nominations and committee appointments will take place once the board appointments are made. Commission Chair Adams tabled the action item for the Human Resources Committee.

### **Staff Reports**

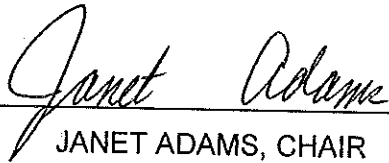
Ms. Weems presented the FY10 Expenditure Summary.

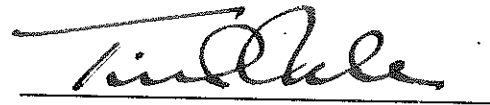
Motion: Commissioner Donley moved to accept the FY10 Expenditure Summary as presented. Commissioner Denson seconded the motion which passed unanimously.

Mr. Brown gave a high level overview of the preliminary year end FY10 scholarship and grant recipients and expenditures for programs administered by the Commission. Mr. Brown then posed a question that the high level data did not answer – “Who are these recipients?” A summary of the Iowa Grant program was delivered, and recipients of the program were profiled in terms of median income, level of parent's educational attainment, and receipt of non-financial aid related means tested benefits (food stamps, WIC, SSI, free or reduced price lunch, and TANF). The median income of 2009-10 Iowa Grant recipients was

compared to that of Iowa households in 2008. Parent level of education attainment was graphed in the following groupings: recipients with two parents that completed a college degree, recipients with one parent that completed a college degree, and recipients with neither parent attaining a college degree (or unknown). Finally, a graph was provided detailing the number of recipients whose family received one or more federal means-tested benefits.

Commission Adjourned at 3:13 p.m.

  
JANET ADAMS, CHAIR

  
TIMOTHY COLE, VICE CHAIR



August 31, 2010

Dear Fellow Iowa College Student Aid Commissioners:

I write to advise you of my strong opposition to the motion authorizing the Commission to "use no more than 6 percent of moneys appropriated under Iowa Code Section 261 for administration of the student financial aid programs for Iowa students and their families." I realize this motion was approved by the Commission last week and will be sent to the Governor.

As you know, I was not present for the Commission meeting. Let me explain why I am stating my position after the fact. Like the rest of you, I received the documents for the Legislative Committee Meeting last week. It is my standard practice to ask for hard copy of these types of materials so that I can read the documents and have them at my disposal during a meeting.

A glitch occurred in my office and I had only about half of the documents. The motion at issue was not one of them. I take full responsibility for the glitch. The staff rightly assumed I had seen all of the documents.

On the day of the Commission meeting, I was moving my daughter into a new place in the Twin Cities. I had rented a truck and my original plan was to drive to Des Moines, attend the Legislative Committee and Commission meetings and then leave for the Cities. Instead, I asked if I could attend via phone. Had I known about the aforementioned motion I certainly would have attended in person.

I had not driven a truck in a long time and had forgotten how noisy one can be. I attended the Legislative Committee by conference call, but could barely hear anything. At the conclusion of the call, I phoned Karen to say that it would be pointless for me to dial in for the Commission meeting.

The first I actually heard about the motion was from our association president Gary Steinke. I have since spoken with Karen to advise her of my strong opposition to it.

Please allow me to set forth the reasons for my position. I fully understand the financial pressures on the Commission. The elimination of FELLP and state's budget situation pose significant challenges. From my conversation with Karen, I am also aware that the staff reviewed the budget carefully for savings that would obviate the need for the motion at issue.

Yet, I believe the motion is unwise. ICSAC's reason for existence is to fund education costs for students. These are hard economic times and students face significant economic challenges. I simply do not believe we should burden our primary constituents with our fiscal problems. The Commission faces twin economic challenges; the elimination of FELLP and the state's budget problems. The FELLP issue is a long term structural problem that will mandate expense reductions and/or identification of new revenue sources. I know that our strategic plan addresses these matters. The state's budget is hopefully a more intermediate problem. Once the economy improves, we should ask the Governor and Legislature for funds to help defray our administrative costs.

In the meantime, I believe that we should use some of our reserve funds to avoid the need to, in effect, lay additional costs on the students. I do not believe the Commission would be well served by a storyline that says ISAC refused to tap an eight-figure reserve account to help students in the middle of the worst economic crisis since the Great Depression.



# IACCT

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*Area XVI*  
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September 17, 2010

Ms. Janet Adams, Board Chair, and Commissioners  
Iowa College Student Aid Commission  
200 10<sup>th</sup> Street, Floor 4<sup>th</sup>  
Des Moines, IA 50309

Dear Board Chair Adams and Commissioners:

Both the Iowa College Student Aid Commission and Iowa's Community Colleges strive to provide access to postsecondary educational opportunities. The Commission's primary role is in providing Iowa residents financial assistance to cover postsecondary educational costs. During difficult economic times, this role is even more important. While the legislative priority to use no more than 6% of total financial assistance funding to cover administrative costs adopted at the August 19, 2010, Commission meeting seems innocuous at first blush, the impact for approximately 150 Iowa Community College students, who could have received financial assistance towards their education, is the elimination of their access to postsecondary education.

The loss of this postsecondary education opportunity is even more significant if, for example, the 6% of total financial assistance funding (approximately \$4.0 million) was added instead to the current average Iowa Vocational-Technical Tuition Grant annual allocation of \$851. This would provide access to postsecondary education for an additional 4,701 students!

The realization of this legislative priority allows approximately \$4.0 million for administrative costs; \$1.5 million over the current level. This raises questions of the appropriateness of the Commission collecting additional administrative costs while those it serves have tightened their belts by reducing expenditures and staff. The Community Colleges have suffered losses in state general aid of over \$20 million and increased FY2011 tuitions across the state from 1.45% to 8.7%. Further, Iowa remains in the top ten highest Community College tuitions in the nation, and its average tuition is 58.22% above the national average.

Surely other solutions can be found. Any allocation to administration costs should appreciate and reflect the funding reductions experienced by others in the education arena the past several years and be based on the current \$2.5 million administrative costs rather than the proposed \$4.0 million. One solution is a state appropriation to supplement the current state appropriation. Prior to pursuing any other solution, the use of reserves needs to be valiantly pursued to determine what changes in and/or waiver of law/rules need to be made to allow the use of reserves, if not on a permanent basis, on a temporary one.

Thank you for your consideration of the Iowa Community College's concerns and suggested solutions. We welcome the opportunity to work together to find a solution that appreciates the needs of the Commission and that does not prevent pursuit of postsecondary educational opportunities for students.

Sincerely,



MJ Dolan

Executive Director